

Remarks of Sen. Ron Wyden, Chair
Senate Commerce Subcommittee on Science, Technology and Space
“E-Health and Consumer Empowerment: How Consumers Can Use Technology Today
and in the Future to Improve Their Health”

“Back when I served as Co-Director of the Oregon Gray Panthers, senior citizens often talked to me about their hope that our health care system could be made more user-friendly, convenient, and lower in cost.

“Even then there was discussion about various exciting sounding technologies such as ‘smart’ cards, electronic medical records, and what the seniors described as ‘those fancy gadgets.’ It seemed the day when seniors and other Americans would have ready access to empowering technologies were just ahead.

“Today’s technology offers an unprecedented opportunity to reshape American health care. But the path to enhanced e-health looks more like a steeplechase today – it seems there are obstacles every few feet. This subcommittee is going to aggressively work to eliminate, or at least lower, the hurdles that limit the expanded use of e-health today.

“At the outset, I believe that several problems blocking the increased use of e-health care are similar to the legal, regulatory and cultural problems plaguing our health care system as a whole.

That’s why the subcommittee has asked Dr. John Kenagy to testify here today. His work, based on the theory that ‘disruptive innovation’ which has reformed so many other fields should be extended to health care, seems like just the sort of jolt needed to secure the changes the seniors described to me in my Gray Panther days.

“I believe most of the obstacles to increased utilization of e-health can be achieved without enacting an avalanche of additional Federal laws, but in some areas new legislation may be needed to move this country toward a workable e-health system.

“The first such legislative initiative that warrants consideration is requiring that all medical claims in the United States be submitted, captured, adjudicated and paid, using secure Internet technologies, within 15 days. If it can’t be done within that time, the payer must notify the patient and the provider with the reason why.

“Experts I have consulted, such as medical economist and health information technology authority J.D. Kleinke of Health Strategies Network, suggest that such a requirement should have to be in place within two years of such a law’s enactment - and that such a rule would make handling a claim fairly similar to ordering a book on Amazon.com.

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“American health care, which now chokes on administrative paperwork and redundancy, lags behind most other industries in electronic payment efficiencies, and claims payment reform could significantly benefit the health care system. Patients and doctors would be happier with such a prompt payment system. This reform would improve data reporting and thereby improve the quality of our health care by saving time and money and reducing medical errors. Broader efficiencies could be achieved from the technical standardization that electronic submission would necessitate and would build on the Health Insurance Portability and Accountability Act, or HIPAA,

statute.

“Most significantly, if all payers were required to modernize their payment systems to utilize the Internet at the same time, our government would be removing the current competitive economic disadvantage that innovative health plans now face. Incredibly, today’s health system perversely penalizes innovative health plans that use technology to pay claims faster and more efficiently than their competitors. Innovators find themselves with reduced investment income and less profit to show for their good deeds.

“Other issues in e-health the subcommittee intends to explore include the development of a private-sector program to monitor, and even certify, e-health information on public web sites, how hospitals and physicians can share a web site for patient admission and procedure scheduling without violating the Federal anti-referral and anti-kickback laws, guidelines and health care e-mail, and reimbursement questions. In addition, the subcommittee will also explore how e-health can assist in responding to the health work force shortage.

“I’m especially pleased that Tom Scully is with us today, because I’m convinced that he recognizes the web’s potential for empowering health care patients and their families. He’s already shown, with his stated commitment to improve patient access to outcomes and price information that the Federal government now has, that his tenure will be an activist one. We’re pleased that he’s back in public service, and expect to work with him often.

“I also welcome our other panelists. In addition to Mr. Scully and Dr. Kenagy, we have Dr. Sherrilynn Fuller of the University of Washington School of Medicine, Dr. Willie May of the National Institute of Standards and Technology, and Mr. Albert Patterson of Premier, Incorporated.”

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